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Flows of financial resources for population activities

Report of the Secretary-General

Summary

The present report responds to a request at the twenty-eighth session of the Commission on Population and Development for an annual report on the flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development (ICPD). The report has been prepared in accordance with General Assembly resolutions 49/128 and 50/124, in which the Assembly requested the preparation of periodic reports on the flow of financial resources for assisting in the implementation of the Programme of Action. The report also responds to suggestions made at the twenty-ninth session of the Commission on the need for comprehensive reporting of financial flows.

Preliminary estimates for resource flows in 1996 indicate that more than $1.8 billion of international assistance was expended on population activities for the implementation of the Programme of Action, a slight decrease compared to 1995. Domestic resource flows in 1996 are estimated at about $8 billion (by Governments, non-governmental organizations and private sources), giving a preliminary global total for population-related expenditures and allocations in 1996 of almost $10 billion.

Donor support in 1996 for ICPD implementation presents a mixed picture: several donor countries have shown increased commitment, while for other donors international assistance either stagnated or declined in 1996. Nevertheless, overall many donor countries have given increased priority to the ICPD goals in terms of the share of total official development assistance devoted to population. Early indications for 1997 are that unfavourable exchange rate movements may further depress international assistance measured in dollar terms in 1997.

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The preliminary estimate of $8 billion raised domestically for population includes the sizable allocations of a few large developing countries that give population programmes high priority. In contrast, most countries in sub-Saharan Africa, as well as some developing countries in other regions, have been able to mobilize only a small part of the financial resources that will be required for them to reach ICPD goals.

The present report also describes how information on both international and domestic flows is being expanded and systematically organized through a cooperative agreement between the United Nations Population Fund and an international non-governmental research institution. That collaboration has created a resource-flow database which will progressively become a valuable tool for monitoring the global financial flow aspect of the implementation of the Programme of Action.

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I. Introduction

1. The present report has been prepared by the United Nations Population Fund (UNFPA) in response to a request at the twenty-eighth session of the Commission on Population and Development[1] for an annual report on the flow of financial resources and funding mechanisms for implementing the Programme of Action of the International Conference on Population and Development (ICPD)[2]. The report, which is part of the work programme of the Commission on Population and Development, is also pursuant to General Assembly resolutions 49/128 and 50/124, in which the Assembly called for the preparation of periodic reports on the flow of financial resources for assisting in the implementation of the Programme of Action.

2. The present report reviews (a) the flow of financial resources in external assistance for population activities for 1995, and provisionally for 1996 and 1997, when available, and (b) domestic flows for 1996. The report is based on data gathered through a new collaborative project between UNFPA and the Netherlands Interdisciplinary Demographic Institute (NIDI), an internationally recognized population research non-governmental organization. Because of the early cut-off date for the present report, data are incomplete, particularly for developing countries, and the results presented for 1996 are therefore preliminary.

3. The specific financial flows that are analysed in the present report are the resource flows — both international and domestic — allocated to the ICPD "costed population package" (see para. 13.14 of the Programme of Action), which consists of four main components: family planning services; basic reproductive health services; sexually transmitted diseases (STD)/human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (AIDS) prevention activities; and basic research, data and population and development policy analysis. It was estimated in the Programme of Action that that package would cost about US$ 17 billion annually by the year 2000. Other important ICPD goals, such as universal basic education, primary health care and child survival, were not specifically costed in the Programme of Action and are not dealt with here. It was tentatively estimated that up to two thirds of the costed population package would be met by the countries themselves, with the remaining one third ($5.7 billion) to come from external assistance.

II. External assistance for population

4. During the period 1985 to 1995, international financial resource flows followed a generally increasing trend. A significant increase of 25 per cent was recorded between 1993 and 1994, reflecting the results of the ICPD process and the intentions of many Governments and organizations to increase their commitments to financial assistance for population programme activities. International population assistance increased by 24 per cent in 1995, reaching a level of just over $2 billion, of which developed countries contributed almost $1.4 billion, multilateral organizations and agencies (other than UNFPA) provided $111 million, private sources accounted for $85 million, and development banks (chiefly the World Bank) provided $466 in the form of multi-year loans.

5. Preliminary assessments based on responses to questionnaires on 1996 resource flows indicate that overall international assistance for population declined somewhat from 1995 levels (see fig. I). However, to date 1996 data are preliminary and still subject to change; in particular, 1996 data for some donor countries are estimates, not final figures, due to delays in reporting.[3,4] If any new information becomes available, the Commission will be updated informally.

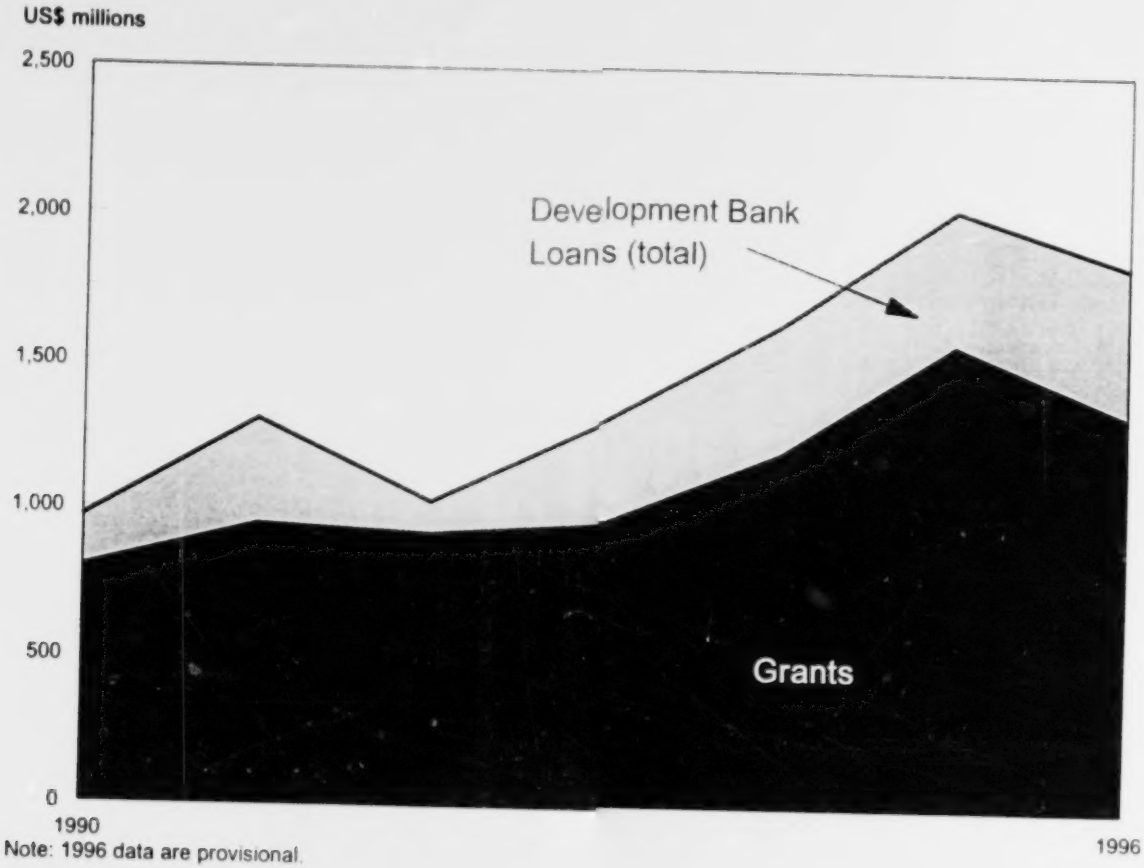
6. Total external assistance in 1996 is estimated at about $1.8 billion, a 9 per cent decline over the 1995 total; of that 1996 total, donor countries directly contributed about $1.2 billion and development banks $518 million, while private foundations increased their assistance in 1996 to $140 million.

A. Trends in donor country assistance

7. Direct grants from donor countries comprise the largest percentage of total international population assistance. Bilateral assistance increased from $669 million in 1990 to almost $1.4 billion in 1995. Direct grants from donor countries increased by 40 per cent in 1995 over the 1994 total of $977 million.

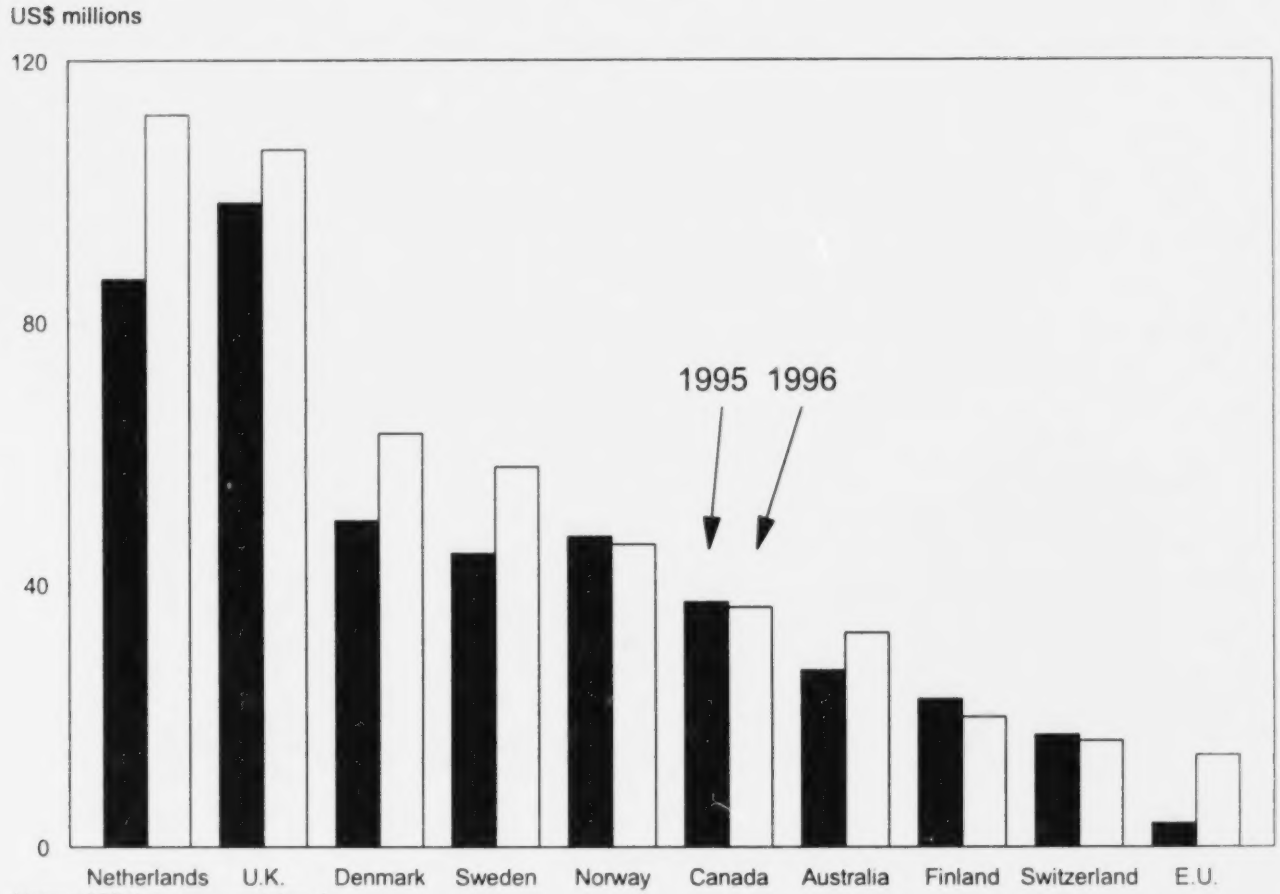
8. Preliminary indications point to a small decrease in primary funds of donor countries in 1996 in United States dollar terms, even though several countries either increased spending on population in 1996 or at least maintained 1995 levels (see fig. II). At least six countries (including the European Union) increased their 1996 funding over the previous year, while seven decreased their assistance. The largest absolute increases in population assistance came

Figure I
Trends in international population assistance, 1990-1996



Note: 1996 data are provisional.

Figure II
Bilateral population assistance, 1995 and 1996, selected countries



Note: 1996 data are provisional.

from the Netherlands, Sweden, Denmark, the European Union, the United Kingdom of Great Britain and Northern Ireland and Australia. The largest relative increases over 1995 figures (in percentage terms) were posted by the European Union, Sweden, the Netherlands and Denmark (see sect. IV below for more information on new European Union initiatives).

9. Unfortunately, assistance from some other donor countries declined in 1996. The largest decline was in assistance from the United States of America, whose provisional (and incomplete) total for 1996 is $463 million, a decrease of more than $200 million from 1995.[4] Nonetheless, in 1996 the United States retained its first-place position in absolute terms and in terms of the percentage of official development assistance (ODA) earmarked for population (5.1 per cent). External assistance from Austria, Finland, Ireland, Italy and Canada also declined from 1995 to 1996.[5]

Exchange rates

10. Since the standard currency for tracking global resource flows is the United States dollar, the effect of currency fluctuations and unfavourable trends in exchange rates has been examined. Figure III shows the seven donor countries which experienced the largest exchange-rate swings over the period 1994-1996; other countries, not shown, experienced smaller swings of less than two percentage points. However, as can be seen, currency fluctuations cannot account for the overall decrease in assistance. Only two countries (Japan and Switzerland) saw their currencies weaken significantly against the dollar, decreases that were more than offset by several other currencies which appreciated against the dollar over the same period. Overall, if 1994 (or 1995) exchange rates had prevailed in 1996, donor assistance for population would have been slightly *lower* in 1996 than it in fact was.

Comparison to official development assistance

11. Primary funds of donor countries for population assistance as a percentage of official development assistance followed an upward trend during the period 1990 to 1995, increasing from 1.21 per cent in 1990 to 2.32 per cent in 1995. That upward trend was reversed in 1996, however, when the primary funds of donor countries for population assistance as a percentage of ODA decreased to 2.10 per cent. The decrease can be partly explained by the exclusion in 1996 of expenditures on infant and child care, but it is mainly due to the large decrease in assistance from the United States.

12. Individual countries varied greatly in the proportion of ODA contributed for population assistance in 1996. Despite the overall decrease in assistance for population, an encouraging trend noticeable in 1996 data is the growing group of donor countries which earmark an important part of their ODA for population activities. Whereas in 1995 only five donor countries devoted 3 per cent or more of ODA for population, in 1996 eight countries reached that plateau — the United States, Finland, Denmark, Norway, Netherlands, the United Kingdom, Australia and Sweden — indicating a welcome shift to according higher priority to population activities despite an overall stagnation in ODA contributions.

Comparison to gross national product

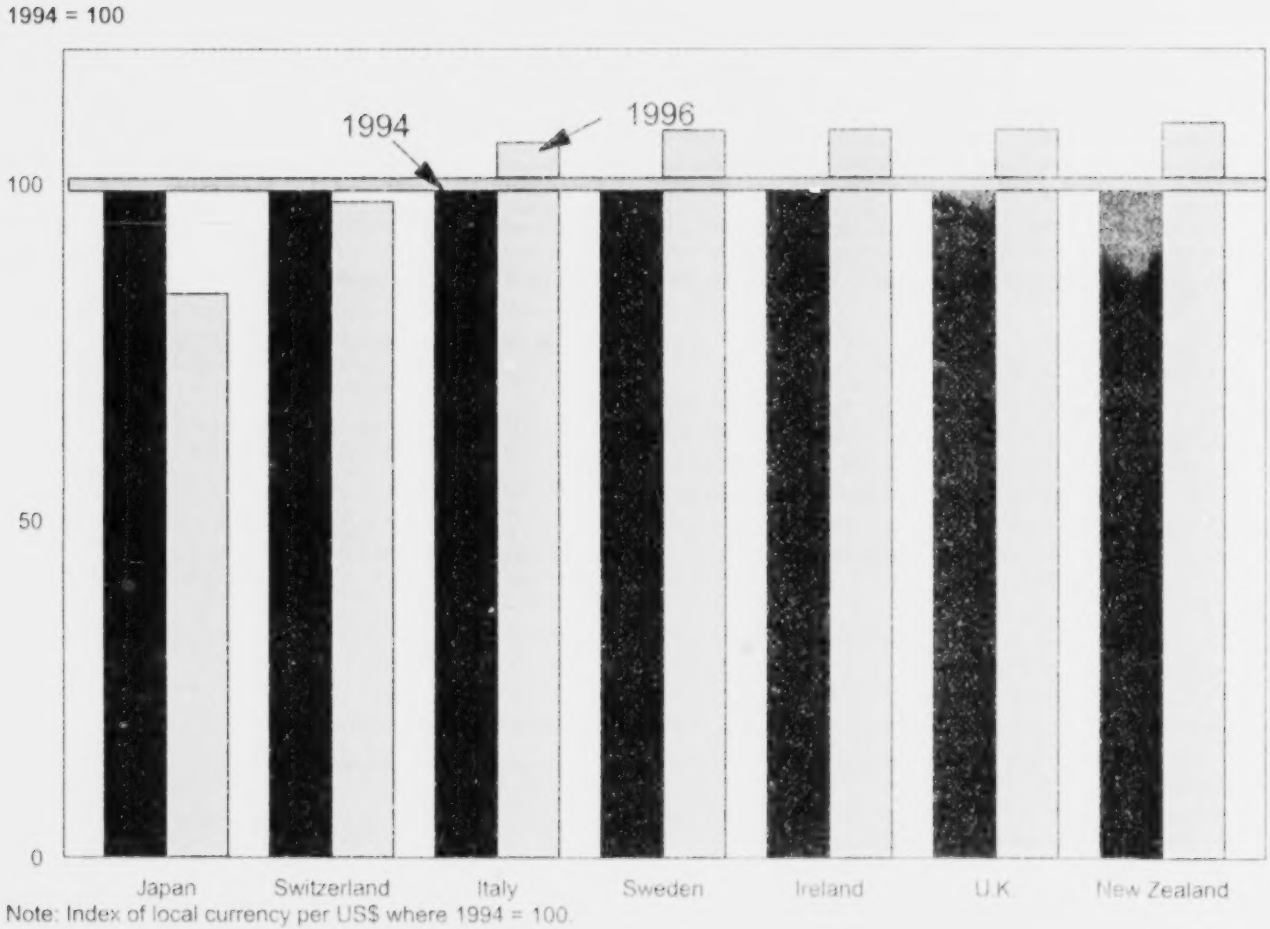
13. A country's commitment to population assistance can also be measured in relation to its gross national product (GNP). In 1990, donor countries contributed, on average, $43 for each million dollars of GNP to population assistance. That figure has fluctuated in the past several years, increasing to $62 in 1995 but decreasing substantially in 1996, when donor countries contributed only $53 per million dollars of GNP to population assistance. Again, most of that decline can be attributed to the (provisional) decline in population aid from the United States from 1995 to 1996.

14. Several countries provided population assistance well above the average in terms of GNP. Denmark topped the list in 1996 for the first time, by contributing $370 for every million dollars of its GNP. Norway, the Netherlands, Sweden and Finland also provided high rates of population aid relative to their GNPs.

Donor contributions to UNFPA

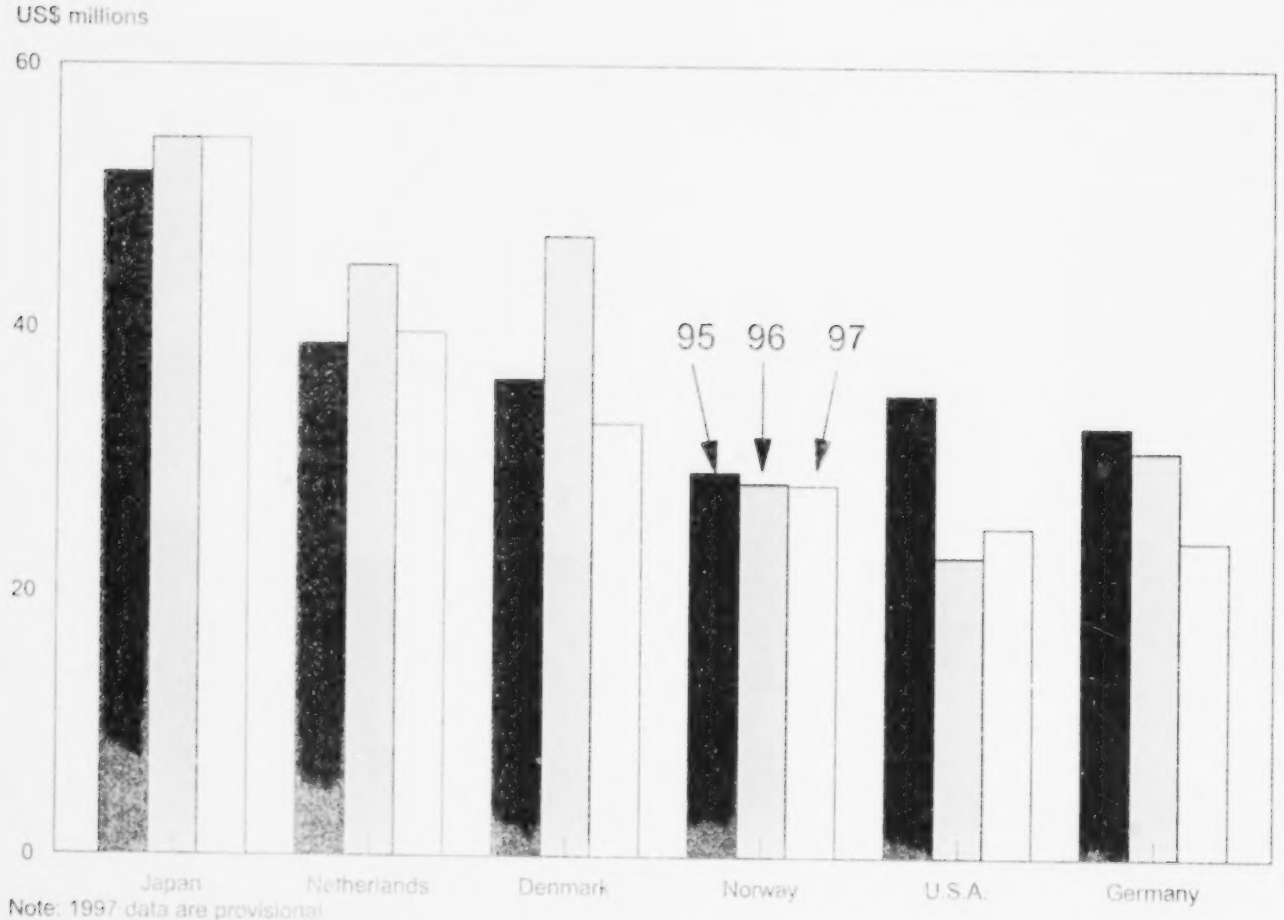
15. Donor countries also provide substantial contributions to population assistance through the multilateral channel. The largest multilateral source of population assistance is UNFPA. Figures IVa and IVb show the contributions of 12 Organisation for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC) donor countries to UNFPA core resources between 1995 and 1997 in dollar terms.[6] Of the countries shown, the largest increase in dollar terms from 1996 to 1997, $2.25 million, came from the United States. Several other donors increased contributions to UNFPA between 1996 and 1997 in both their own currency and dollar terms: Ireland, New Zealand, Luxembourg and Portugal. A number of other donor countries, including Finland, the Netherlands, Norway and Switzerland, increased contributions in 1997 over 1996 when

Figure III
Exchange rate fluctuations, 1994 and 1996



Note: Index of local currency per US$ where 1994 = 100.

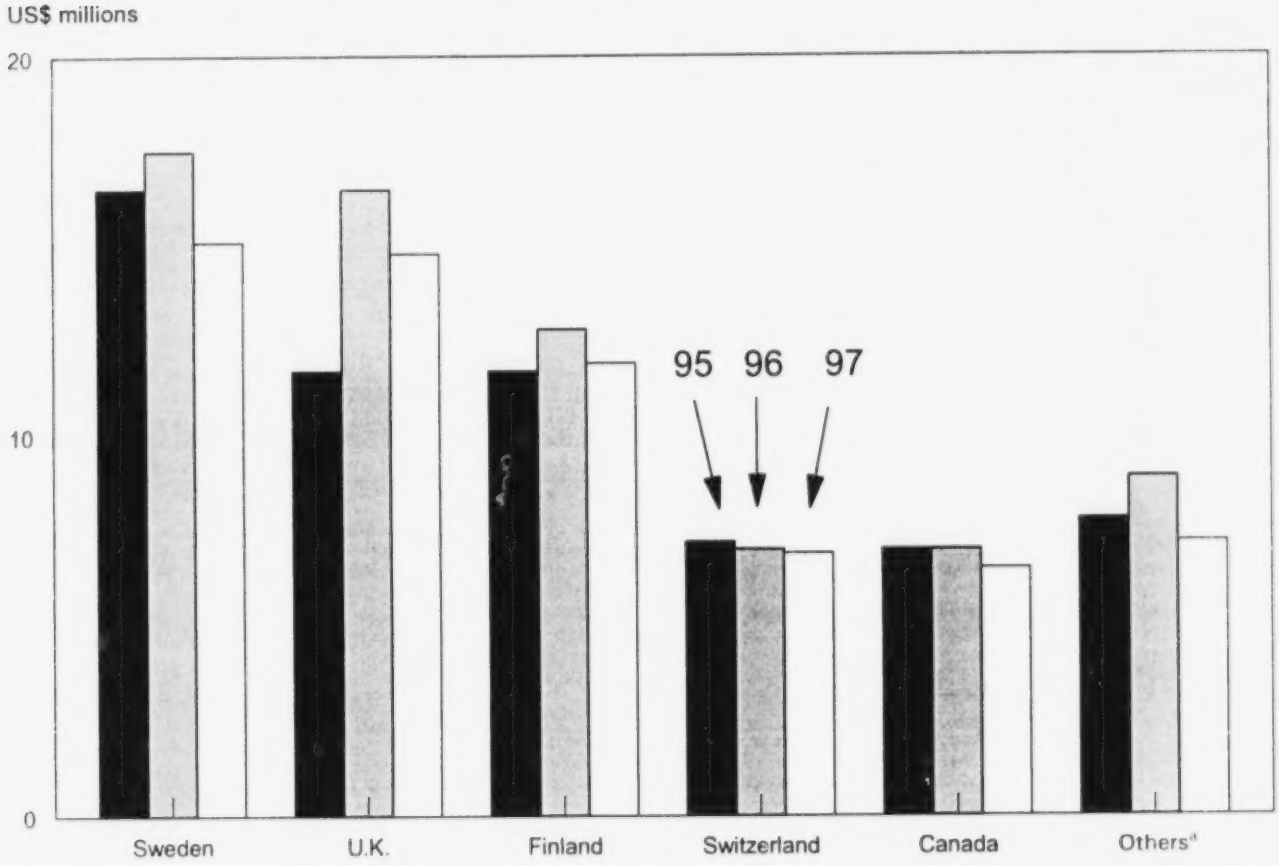
Figure IVa
Donor assistance to UNFPA core resources, 1995-1997
(Scale: 0-60 million dollars)



Note: 1997 data are provisional.

Figure IVb
Donor assistance to UNFPA core resources, 1995-1997

(Scale: 0-20 million dollars)



Note: 1997 data are provisional.

[a] Australia, Austria, Belgium, France, Ireland, Italy, Luxembourg, New Zealand, Portugal.

measured in their own currencies, but because of shifts in exchange rates at the time they were recorded as decreases in dollar terms. Sweden and France maintained their 1997 contributions at the same level as 1996, but again these decreased in dollar terms because of fluctuating exchange rates.

16. UNFPA income data available for 1997 suggest that exchange rates will have a depressing effect on donor aid for population in 1997 in dollar terms. A calculation was made for 16 DAC countries who contribute to UNFPA in their own currencies. In terms of United States dollars, those 16 countries together gave UNFPA $220 million in 1996 and $187 million in 1997 — a total decrease of $33 million. However, if the exchange rates prevailing when the 1996 contributions were made had remained unchanged in 1997, the 1997 total for those 16 countries would have been $209 million. Thus, funds for UNFPA-supported programmes in 1997 would have been $22 million higher, 12 per cent more than the actual dollar total. Figure IVc shows how 1996 and 1997 donor contributions to UNFPA in local currencies rose or declined relative to 1995 contributions (which are standardized to equal 100 and shown as a vertical line in the figure).

17. Despite tight budgetary constraints and in some cases difficult economic climates, Denmark, the Netherlands, Switzerland, Finland, Sweden, the United Kingdom, Canada and Germany made substantial contributions to UNFPA in 1997. Japan maintained its position as top donor to UNFPA, with a net contribution of over $54 million.

B. Trends in multilateral grant assistance

18. A number of United Nations organizations and bodies that engage in population-related or reproductive health activities are also sources of funds for multilateral population assistance, including the International Labour Organization, the United Nations Children's Fund, the Department for Economic and Social Affairs of the United Nations Secretariat, the World Health Organization and the regional commissions. In 1995, almost $440 million flowed through those multilateral organizations and agencies. In 1996, multilateral funds were provisionally estimated at $346 million, but a number of multilateral organizations have still not reported. UNFPA remains the most significant provider of population assistance, with almost $328 million programmed in 1996.

19. UNFPA core income, which increased over the period 1990-1995 from $212 million to $313 million, declined slightly in 1996 to $309 million. UNFPA supports a large number of programmes and projects throughout the developing world, and is the major source of population funding for other United Nations bodies. UNFPA multi-bilateral arrangements, whereby bilateral donors channel assistance through UNFPA to specific projects, have shown an increasing trend. Multi-bilateral funds stood at $14.2 million in 1995, and rose to $18.3 million in 1996. Provisionally, multi-bilateral arrangements through UNFPA will rise further in 1997, to reach $30 million.

C. Trends in multilateral loan assistance

20. The development banks, which provide loans to developing countries, are an important multilateral source of funds for population assistance. Their contributions are treated separately because they are in the form of loans rather than grants and must be repaid. The banks' projects reflect large blocks of loan agreements made in a single year but intended to be expended over several years. Multi-year commitments are recorded in the year in which they are approved.

21. In fiscal 1995, the World Bank made available loans of $448 million for population assistance, and in 1996 that total increased to $509 million, the largest amount the Bank earmarked for population activities in any fiscal year (see fig. V). Of that total, $253 million were International Development Association (IDA) loans made at highly concessional rates, and $256 million were International Bank for Reconstruction and Development (IBRD) loans made at rates closer to those prevailing in the market. In addition, the World Bank reported an expenditure of just over $8 million to intermediate donors as grants for programmes in population and reproductive health.

22. In fiscal 1997 (year ending 30 June 1997), the value of World Bank loans in the area of health, nutrition and population fell to $940 million, down from $2.3 billion in fiscal 1996. Although those totals have not yet been broken down by sub-sector, the preliminary estimate of 1997 lending for population and reproductive health projects is $230 million, less than half the 1996 total.

23. Traditionally, development loans for population have been counted as an element of total international assistance. However, the IBRD loans of the World Bank, are not grants but commercial loans that must be repaid with interest. On the other hand, the IDA loans of the World Bank, are in large part grants: they usually carry a long grace period, zero interest and a long term (35-40 years) for repayment of the principal.

Figure IVc
Donor assistance to UNFPA core resources, 1995-1997

(In terms of local currency, 1995 = 100)

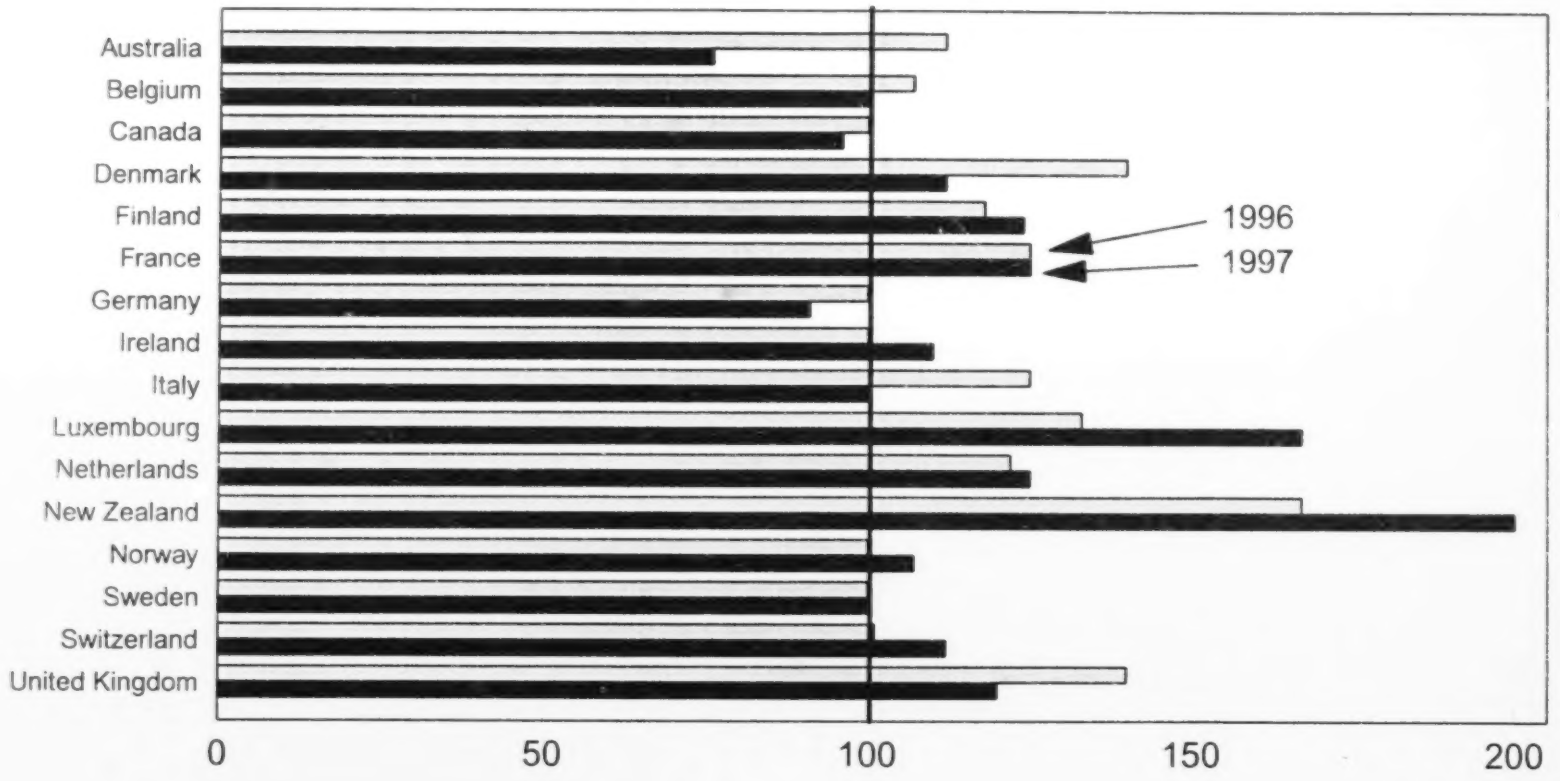
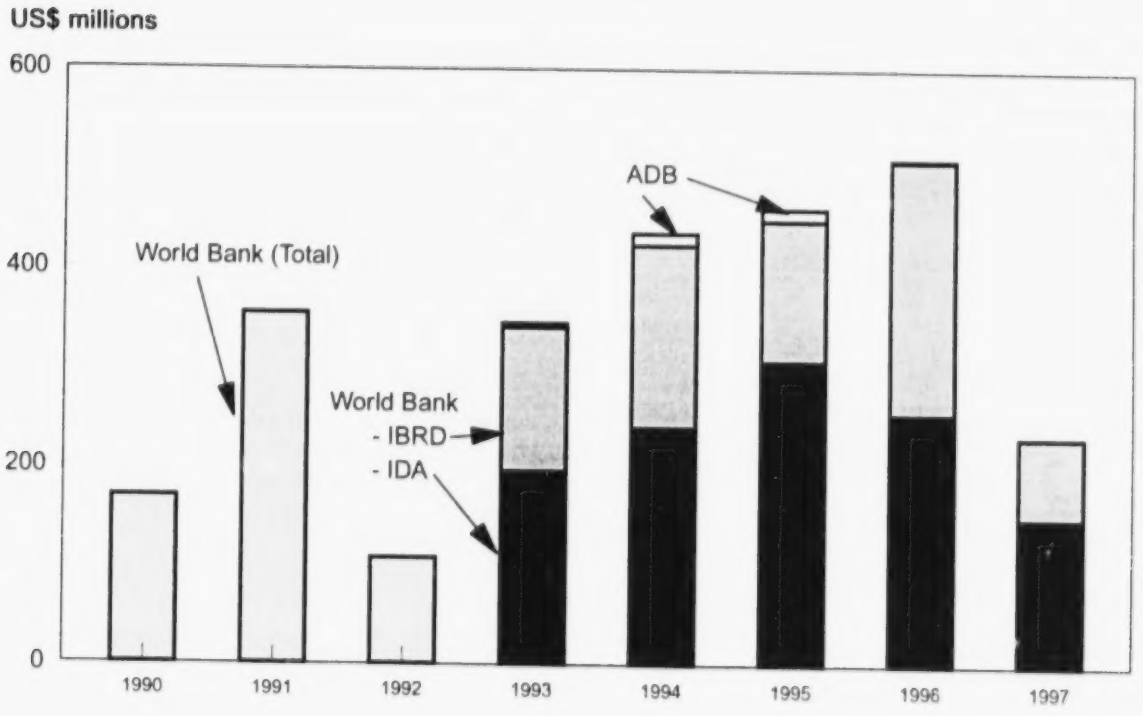


Figure V
Trends in multilateral development loans for population



Note: 1997 data are provisional. ADB data for 1997 not available.

24. Other regional development banks that provide loans for population projects include the Asian Development Bank (ADB). ADB made available $12 million for population assistance in 1995 but reported loan activity of only $1 million in 1996. The Inter-American Development Bank (IDB) reported that although support for family planning and basic reproductive health forms a part of many of their loans to the health sector, it is impossible to disaggregate the population components from the total loan amounts. In 1996, IDB approved lending of $484 million for public health programmes and services, part of which would be used for family planning and reproductive health.

D. Trends in private assistance

25. Another important source of international population assistance comes from the private sector, including foundations, private organizations and other international non-governmental organizations. In 1990, private sources provided $48 million for population assistance. The amount contributed by private sources has generally increased since then, and preliminary data for 1996 indicate assistance totalling $140 million. The organizations providing the most funds for population assistance in 1996 were the Ford Foundation, the Rockefeller Foundation, the MacArthur Foundation, the Hewlett Foundation and the Mellon Foundation (see fig. VI).

E. Expenditures by channel of assistance and geographical region

26. Besides being an important source of primary funds for population assistance, the non-governmental sector also constitutes a major intermediate conduit for population funds. In 1990, non-governmental organizations accounted for one third of total final expenditures for population assistance. As figure VII shows, the non-governmental organizations channel for project/programme execution has generally increased since then, and in 1996 non-governmental organizations served as intermediaries for almost half of all international assistance for population going to developing and transition countries.

27. During the 1990-1996 period, population expenditures for developing countries increased, with some fluctuations, in all regions of the world, as shown in figure VIII. During the past decade, more funds for population assistance were expended in Asia and the Pacific and sub-Saharan Africa than in any other region: those two regions currently receive over 70 per cent of all international assistance, and sub-Saharan Africa alone accounted for 37 per cent of all assistance in 1996. The proportion destined for countries in North Africa and West Asia has also increased recently. Latin America and the Caribbean and Europe, on the other hand, received proportionately less international assistance in 1996 than previously.

III. Domestic financial resources for population

28. Following ICPD in 1994, UNFPA made a commitment to comprehensively collect domestic flow data to augment its database on external donor assistance. Questionnaires were sent to 62 UNFPA representatives covering 154 countries in June 1997; in all, well over 600 individual questionnaires were sent to governmental and non-governmental organization bodies in those countries.

29. As of 5 November 1997, the cut-off date for preparing the present report, 53 countries had provided data on domestic resource flows for population activities (several others are in the pipeline); of those, 17 were in sub-Saharan Africa, 12 were in Asia and the Pacific, 15 were in Latin America and the Caribbean, four were in Western Asia and North Africa, and five were in Eastern Europe. Those responses represent over 60 per cent of the total population of developing countries and countries in transition (excluding China). By region, the data reported on below cover 30 per cent of the population of Latin America and the Caribbean,[7] about 40 per cent of sub-Saharan Africa, North Africa and West Asia, and over three quarters of Asia (excluding China) and countries in transition. An informal submission will be before the Commission that will provide a more complete picture of domestic resource flows than is possible to date.

Figure VI
Population assistance from private sources, 1994-1996

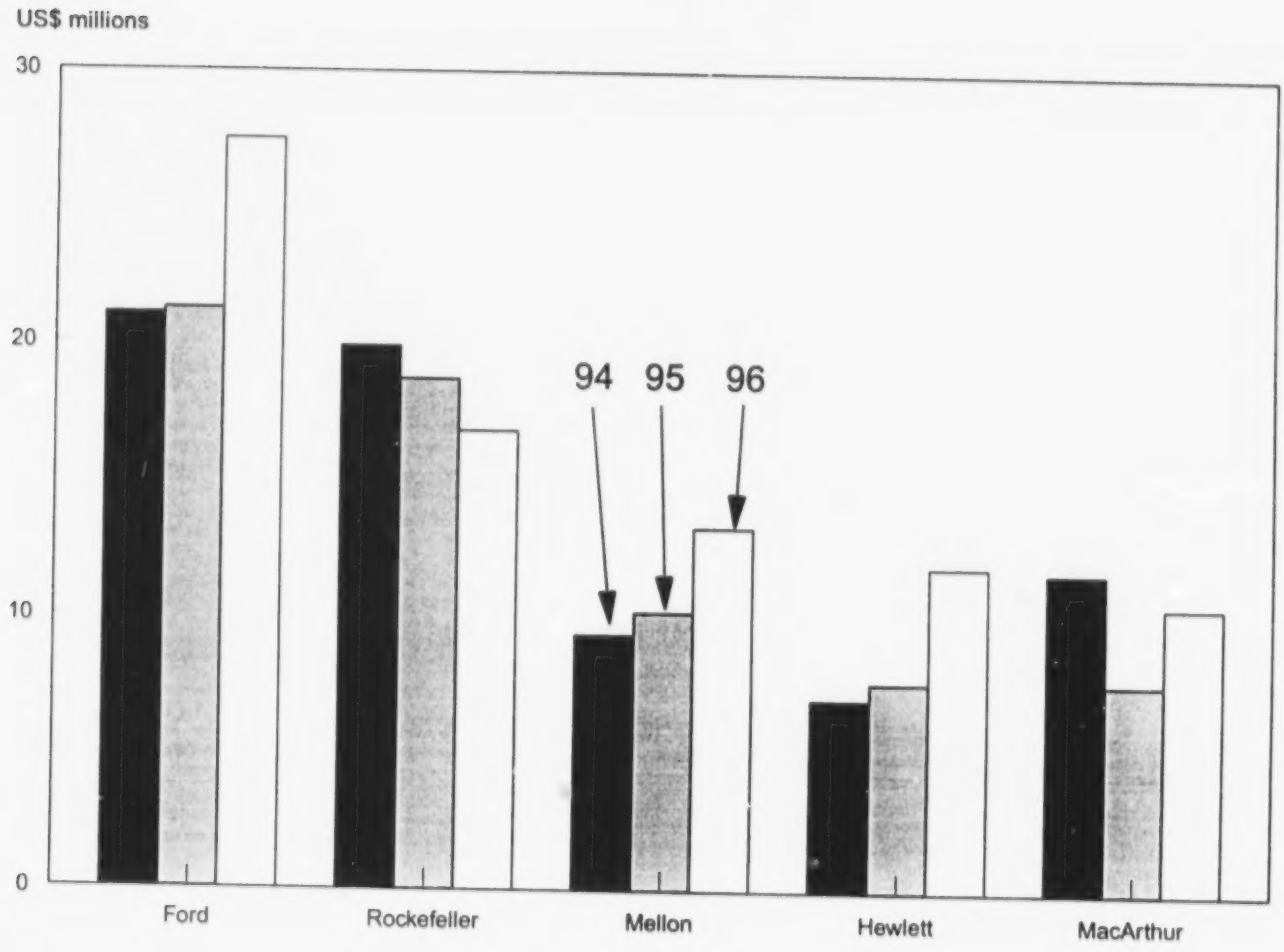
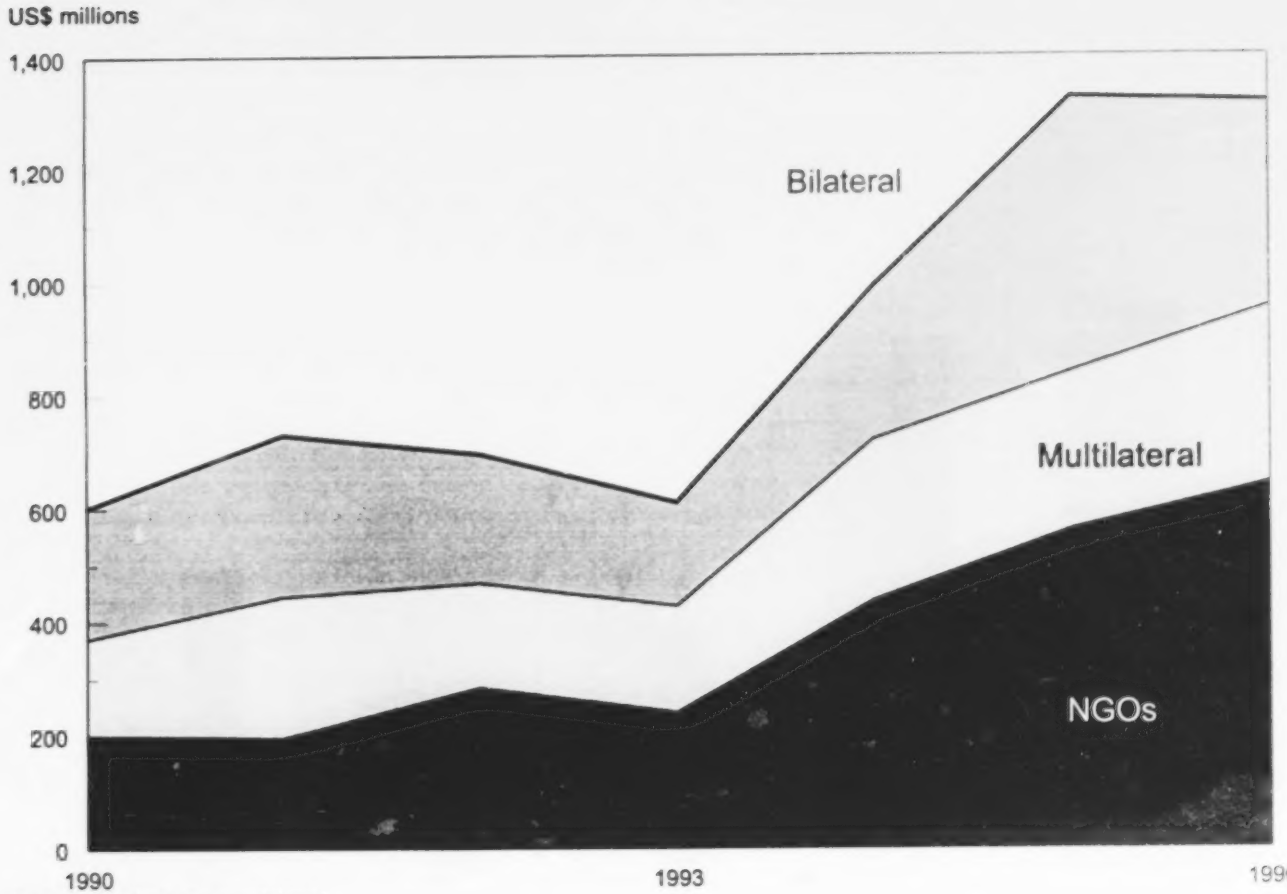
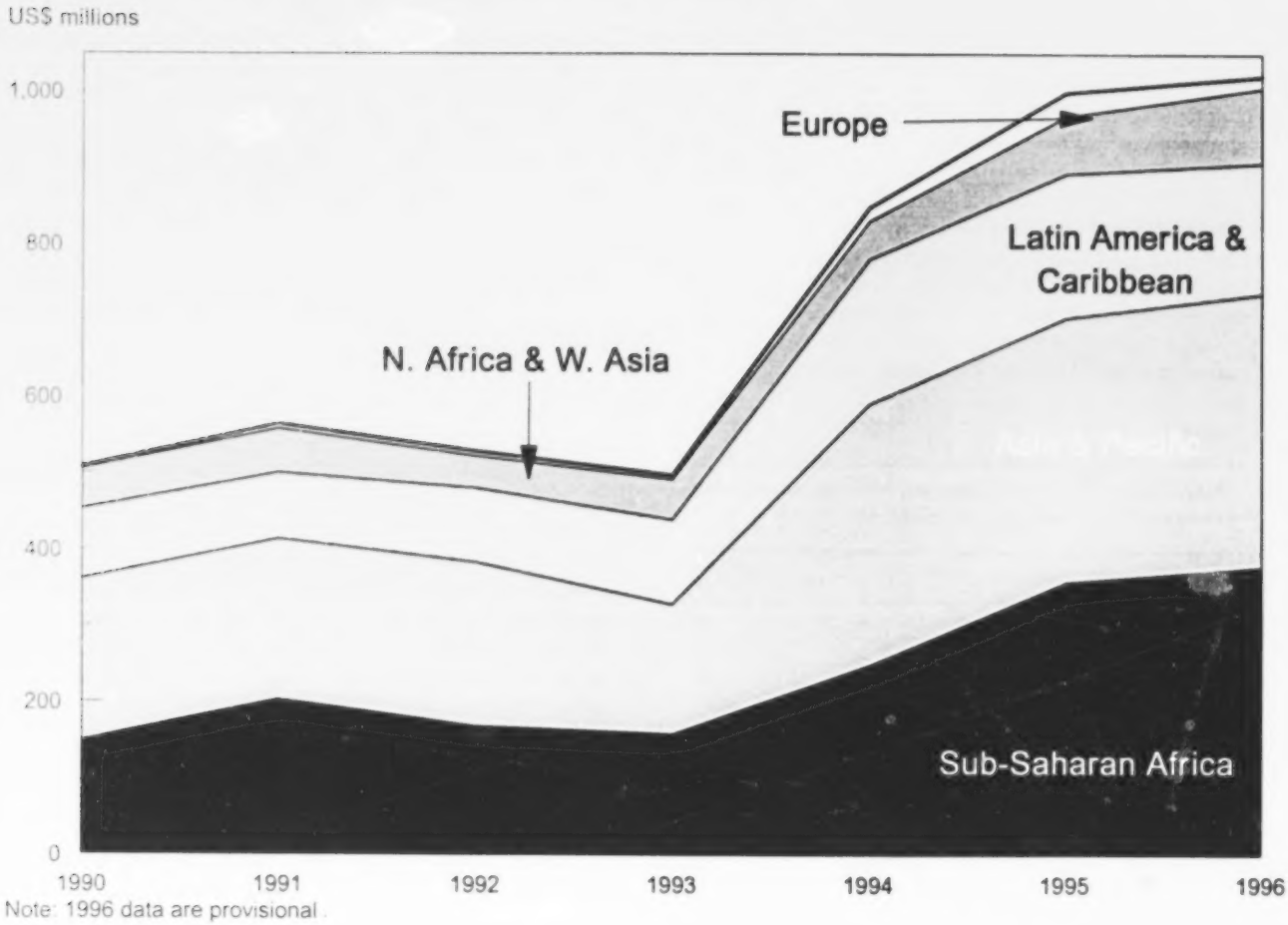


Figure VII
Population assistance by channel, 1990-1996



Note: 1996 data are provisional.

Figure VIII
Population assistance by region of destination, 1990-1996



Note: 1996 data are provisional.

A. Estimated total domestic resource flow (Governments and non-governmental organizations)

30. Table 1 contains estimates of domestic financial flows from two major sources: Governments and non-governmental organizations. A third major domestic source of funding, the private sector (individuals and households), cannot yet be included due to insufficient data. Without considering private financing, the global figure estimated for domestic resource flows for population in 1996 for all developing countries and countries in transition is in the order of $7 billion as shown in table 1 (first column).[8] That provisional estimate is based on 1996 data from 53 countries, and is subject to revision upon receipt of data from other countries. Using an existing estimate of the proportion of private resources in the domestic total (14 per cent), a crude global total for domestic financial flows for population in 1996 is estimated at $8 billion.

Table 1
Government and non-governmental organizations expenditure for population in 1996: all developing countries and countries in transition

	Total domestic (Millions of US$)	*Total domestic (US$ per 100 people)*
Sub-Saharan Africa	200	37
Asia and the Pacific	5 300	91
Latin America and the Caribbean	1 100	231
North Africa and West Asia	300	89
Countries in transition	100	33
Global total	**7 000**	**88**

Note:
In the first column, 1995 estimates for China are included under Asia and the Pacific.

B. Government and non-governmental organizations per capita expenditures

31. As of 5 November 1997, 224 questionnaires on domestic resource flows had been received and processed from Government sources, and another 261 from national non-governmental organizations. Table 1 (second column) shows the results of that data-gathering exercise as of the above cut-off date. Sub-Saharan African Governments and non-governmental organizations, as expected, spend among the least on the ICPD programme — only about 37 dollars per 100 people. Countries with economies in transition also expend a low amount on ICPD-related activities. Countries in North Africa and West Asia spend about 89 dollars per 100 people, and countries in Asia excluding China spend 91 dollars. Latin America and the Caribbean distinguishes itself from the other regions in that countries spend about 231 dollars per 100 population on services related to the ICPD costed package. Taking all developing countries and countries in transition as a group, about 88 dollars per 100 population are expended domestically by Governments and non-governmental organizations on population activities.

C. Incomes of national non-governmental organizations

32. Table 2 gives a broad picture of both sources of non-governmental organizations income and the level of that income. Overall, almost two thirds of non-governmental organizations funding comes from international assistance, and the remaining one third comes in equal parts from national Governments and self-generated funding. At the global level, the amount of income of non-governmental organizations working in population is, on average, about four United States dollars for every 100 persons. As an additional domestic source of financial resources, those data show that non-governmental organizations have a relatively small impact compared to Government programmes.

33. As can be seen from the first column of table 2, in sub-Saharan Africa, Asia and the Pacific and North Africa and West Asia, Governments give little financial support to non-governmental organizations. In transition countries, non-governmental organizations receive about one fifth of their income from national sources, and non-governmental organizations in Latin America and the Caribbean receive over two fifths from Governments.[9] On the other hand, self-generated income — mainly through user fees and charitable gifts — is important in some regions, particularly North Africa and West Asia where two fifths of total non-governmental organizations income comes through that modality (see the third column of table 2). Non-governmental organizations

operating in sub-Saharan Africa, however, rely almost exclusively on international assistance.

34. The last column of table 2 shows the level of non-governmental organizations income compared to the target population, given in terms of United States dollars per 100 people. As can be seen, non-governmental organizations income per 100 population ranges from $1 in countries in transition to $20 in Latin America and the Caribbean. Overall, non-governmental organizations handle only about 5 per cent of total domestic funds available for ICPD implementation in developing and transition countries. Compared to government population programmes, non-governmental organizations activities in percentage terms are small-scale in Asian countries, where only about 2 per cent of funds are managed by such entities. In contrast, the action of non-governmental organizations is quite significant in sub-Saharan Africa, where they handle more than one quarter of all population funds.

Table 2
Domestic income of non-governmental organizations for population in 1996

	From national sources	*From international sources*	*Self-generated income*	*Total income*	*Income per 100 people*
	Percentages				*US$*
Sub-Saharan Africa	2	89	8	100	8
Asia and the Pacific	9	71	21	100	2
Latin America and the Caribbean	43	45	13	100	20
North Africa and West Asia	2	58	40	100	5
Countries in transition	19	68	13	100	1
Global total	**18**	**65**	**17**	**100**	**4**

Note

Row percentages may not add to 100 due to rounding.

D. Indonesia: a case study[10]

35. An in-depth study of Indonesia was undertaken in August 1997 as part of the UNFPA/NIDI resource-flows project. Seven such case studies are planned for 1997 and 1998 to explore in-depth issues of data quality, provide "reality checks" for the project's data-collection methods, investigate in greater detail other sources of financing (non-governmental organizations, private sector), and to see how the ICPD Programme of Action is influencing resource flows.

36. Broad findings from the present study include the finding that although external assistance played a significant role at the beginning of Indonesia's population programme, support from the Government now makes up almost 90 per cent of the programme's total cost. National non-governmental organizations, who are playing an increasing role in the provision of services, are highly dependent on external resources. Donor inputs are therefore still needed to support non-governmental organizations and also to foster South-South cooperation.

37. The evolution from programmes focused on family planning towards ones with more of a reproductive health approach is taking place as a natural process. The Government plans to continuously decrease its presence in the financing of population-related activities and let the private sector take up the slack. By the year 2000, 50 per cent of contraceptive services should be privately supplied, and the Government's involvement will eventually decline to 20 per cent.

38. The study estimated the costs of contraceptive use for private households in Indonesia. Out of a total private expenditure of $82 million in 1995, families spent $35 million for contraception at government clinics, and $47 million through completely private channels. Reported 1996 expenditures by the Government and non-governmental organizations in Indonesia for the ICPD package total $244 million. Households therefore account for a substantial proportion of the total expenditures — at least one quarter in Indonesia — clearly showing that private-sector spending must be taken into account when projecting total resource flows.

IV. Resource mobilization and resource requirements for the implementation of the programme of action of the International Conference on Population and Development

39. The ICPD Programme of Action estimated that in the developing countries and countries with economies in transition, the implementation of programmes in basic reproductive health services, family planning services, the prevention of sexually transmitted diseases (including HIV/AIDS), and population and development policy analysis would cost $US 17 billion by the year 2000. The Programme of Action recommended that approximately two thirds of the projected costs in developing countries would have to come from domestic resources, and up to one third — or $5.7 billion — would have to come from the international donor community. Those were taken to be global targets that did not necessarily apply at the regional or national levels.

40. In addition to the costed population package, the Programme of Action also calls for socio-economic development programmes designed to strengthen the primary health-care delivery system and child survival programmes, provide universal basic education, improve the status and empowerment of women, generate employment, address environmental concerns, provide social services and address poverty eradication through sustained economic growth.

41. Additional resources will be needed to support programmes that address those wider social goals. An important action in that regard is the 20/20 Initiative, under which donors would commit themselves to allocate 20 per cent of development assistance to improving basic social services while developing countries would also agree to allocate 20 per cent of their development budgets for the same purpose. The Governments of Norway and the Netherlands sponsored an international meeting at Oslo in April 1996 to discuss the operationalization of such agreements among interested countries. A follow-up meeting is planned for September 1998 in Viet Nam to take stock of progress in implementing the 20/20 concept. One concrete case that will be discussed at the 1998 meeting is the 20/20 compact in Namibia. A study of resources for basic social services recently completed in Namibia shows that both the Government's allocations and donor support have surpassed the 20 per cent level, leading to a balanced development.

A. Initiatives on resource flows

42. A number of initiatives to increase resource flows for the implementation of the ICPD Programme of Action have been undertaken by Governments and the international community in the three years since the ICPD. Only recent actions (those taken since last year's report, which made particular mention of initiatives begun by various donor Governments, including Japan, Germany, the United Kingdom, Denmark, the Netherlands and Australia) will be dealt with here.

43. A meeting with donors was organized by UNFPA in February 1997 to review progress since ICPD in mobilizing resources and to explore ways of increasing funding. The need to bring the private sector into the resource picture was emphasized by participants at the meeting. They also suggested that the fertility, mortality and health consequences of failure to reach ICPD resource targets needed to be carefully analysed and findings disseminated in order to better demonstrate to decision makers the vital need for increased resources. OECD/DAC members continue to attach great importance to population activities, as signalled in the recent strategy document *Shaping the Twenty-first Century: The Contribution of Development Cooperation*. A report issued by the DAC secretariat in August 1997, entitled "Will donors meet their Cairo commitments", reviews the rationale for increased international assistance for implementing the Programme of Action and serves as a wake up call to DAC members.

44. The Joint and Co-sponsored United Nations Programme on Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (UNAIDS) has initiated a global programme to monitor financial resources, both external and domestic, that are expended on HIV/AIDS prevention and treatment. Information from that new source will be helpful in obtaining better estimates of resources allocated to STD/HIV/AIDS prevention, one of the four major components of the ICPD package.

45. The European Union continues to expand its reproductive health assistance. Besides the $31 million cooperation agreement with UNFPA to support population programmes in Asian countries, the European Union is negotiating a commitment with India for a new reproductive and child health project valued at about $232 million. The European Union has also continued to

expand its link with UNFPA by reaching a number of multi-bilateral agreements for population projects in Latin America, Africa and Commonwealth of Independent States countries.

46. Given the adverse trend in resource flows in 1996, the Hewlett Foundation has taken the lead in forming an informal group of private philanthropic foundations with a special interest in assuring that sufficient resources will be mobilized for implementing the Programme of Action. One goal of the group will be to broaden the resource base by making non-traditional potential donors in the private sector aware of the need to reach ICPD goals.

47. In July 1997, UNFPA sponsored a meeting between donors, contraceptive manufacturers and developing countries to help expand commercial markets for oral contraceptives in developing countries. The discussion centred around how to combine the market-widening know-how of commercial firms with the need of the public sector to serve the lowest-income segments of the population.

48. UNFPA participates in the initiatives of the Secretary-General to expand contacts with the private sector in order to help improve burden-sharing and to support reform of the financing aspect of operational activities of the United Nations.

B. Further analysis of resource requirements

49. The ICPD Programme of Action calls upon the international community to assess on a regular basis the specific needs of countries in the field of population and development (para. 16.28). The Programme of Action provided global estimates of required resources, and a background document prepared for the ICPD estimated regional requirements. Efforts to improve information on requirements at the national level, however, are still needed.

50. Costing out specific components of reproductive health is still a major challenge to be faced as countries seek to adapt their programmes towards realizing ICPD goals. The World Bank and the World Health Organization sponsored an informal meeting to examine the role of financial and economic analysis on reproductive health project/programme development. The National Research Council (United States of America) recently released the major study *Reproductive Health in Developing Countries: Expanding Dimensions, Building Solutions*, which examines operational issues in detail and also discusses costs. Other initiatives include a Population Council programme that will help to better define operational components for improving quality of care for service delivery, prevention of the consequences of unsafe abortion, improving post-partum care and incorporating STD prevention into reproductive health care. Those and other initiatives are laying the groundwork for better estimates of resource requirements at the national level.

V. The data collection system on financial resource flows

51. UNFPA has expanded and made improvements in its data collection system since the last report to the Commission in 1997. In addition to monitoring international assistance for population activities and publishing its findings in the annual *Global Population Assistance Report*, UNFPA has begun a collaborative effort with NIDI to systematically gather data on domestic resource flows for population activities.

52. The UNFPA/NIDI collaborative project has resulted not only in enhanced coverage of international resource flows but also in the systematic collection of data on domestic Government allocations and expenditures, as well as non-governmental organizations funding for population activities, as documented in the present report. A database has been established for both international and domestic resource flows, which will be updated annually, providing a valuable information resource for the whole population community.

53. NIDI has established a home page on the Internet at:

http://www.nidi.nl/resflows

A meeting is scheduled for early 1998 at NIDI headquarters to discuss data collection and classification of the ICPD costed population package in preparation for the 1997 round of questionnaires, which will be used to collect 1997 resource flow data on both donor assistance and domestic flows. Parties interested in improving the data-gathering methodology, including donor organizations, are expected to attend.

Classification of population activities

54. The collection of resource-flow data in 1995 and 1996 has attempted to begin to reflect the ICPD perspective, introducing a classification of population activities that more closely follow the costed population package of the ICPD Programme of Action. Questionnaires for 1995 contained some categories of population activities not reported in previous editions, including separate categories reflecting expenditures for non-family planning basic reproductive health services, such as diagnosis, treatment, referrals and counselling services for sexually transmitted diseases, including HIV/AIDS; the prevention of STD/HIV/AIDS; and maternal, infant and child health care.

55. For the 1996 round of questionnaires, some further small modifications to the categories of population activity were made to accommodate the actual recording systems of agencies supplying those data. The principal change in 1996 was the exclusion of infant and child-care expenditures/allocations from the data-collection exercise. As a result, the 1996 data collection focused on the following four categories: family planning services; basic reproductive health services; STD/HIV/AIDS prevention activities; and basic research, data and population and development policy analysis.

56. It is important to underscore the fact that figures for 1995 and 1996 use slightly different classification components than figures for prior years. Those classification changes have occurred in the post-ICPD transitional years as systems for the recording of data have been updated to include the ICPD framework. As the difficulties of accurately attributing expenditures to the specific costed population package from broad reproductive health programmes become resolved, it will become possible to provide a consistent data series retrospectively adjusted to include a specific list of components.

VI. Conclusions

57. The present report analyses financial flows for population for 1995 and — provisionally — for 1996. In 1996, *international donor assistance* for population via bilateral, multilateral and private-sector channels, as well as from development banks, declined in dollar terms to about $1.8 billion, after having increased substantially in the two previous years. That decrease may be attributed partly to stagnant or declining overall ODA, and the difficult circumstances that several donor countries faced in 1996, as well as to changes in definitions used for data collection and a substantial decline in one donor country. On the other hand, the continued priority given to population assistance by several donors and the increasing proportion of ODA allotted to population are positive findings of the present analysis.

58. Information was also gathered on *domestic financial flows* in developing countries and countries with economies in transition. The data, although still incomplete at the time of drafting the present report, allow estimates to be made of the effort that developing and transition countries themselves are putting into implementing the ICPD Programme of Action. The domestic financial flows of those countries for assistance in the implementation of the ICPD Programme of Action, including Governments, non-governmental organizations and the private sector, were estimated at about $8 billion in 1996, and account for about 80 per cent of the total resources available for population programmes. That high overall percentage, however, conceals the far lower domestic share of domestic flows in poorer countries that are unable to generate the necessary resources. Thus, if India, China, Indonesia and Mexico are removed from the total, the domestic share of the remaining countries falls to a little more than half, so that that those countries depend on external sources for almost half of the resources needed to finance population programmes.

59. In total, the global resource-mobilization effort in 1996, using preliminary results from the data-collection exercise, is tentatively estimated at about $10 billion. Comparison of that amount with amounts estimated for previous years may be misleading, both because classification definitions have been evolving to better take into account the ICPD framework, and because the quantity and quality of 1996 resource-flow data are superior to what was available in previous years.

60. The present report represents a significant improvement in documenting financial flows at all levels, building on last year's report, which also improved on previous reports by analysing for the first time data on domestic resource flows. The improvement in the present report is due mainly to the new arrangement between UNFPA and NIDI to produce and update a database of financial flows. Although, as expected, the system has experienced some teething problems, that informational resource will progressively meet the international community's need for global financial flow data to monitor the ICPD Programme of Action.

61. It is encouraging to note the very positive population assistance policies of several donor Governments since ICPD, as well as their continued strength of domestic flows. The increased importance that many donors have given to population within the context of total ODA disbursements is another positive development in 1996. The decline in overall external assistance, however, is somewhat discouraging, especially after the optimism of last year's report, which described two years of promising growth in donor resources. Hopefully, 1996 will be seen as a respite, and increased mobilization of resources will be resumed towards the ICPD targets set for 2000. The successful implementation of the Programme of Action is still dependent upon higher levels of resources, together with increased efficiency in resource utilization. Sub-Saharan Africa, parts of Asia and least developed countries everywhere will need a larger and growing amount of resources from the international community, and all countries should increase their own resources for population and reproductive health.

Notes

[1] See *Official Records of the Economic and Social Council, 1995, Supplement No. ___* (E/1995/27).

[2] *Report of the International Conference on Population and Development, Cairo, 5-13 September 1994* (United Nations publication, Sales No. E.95.XIII.18), chap. I, resolution 1, annex I.

[3] Information for Japan, a major contributor of population assistance, is not yet available for 1996, so that the present report uses Japan's 1995 level of assistance; estimates for France, Luxembourg, Portugal and Spain include only contributions to UNFPA for 1996 since their questionnaires have not yet been received.

[4] To date, data on assistance for STD/HIV/AIDS prevention for the United States are not available.

[5] Germany reported actual expenditures in 1996 of US$ 96 million, while reporting allocations (or commitments) of $US 127 million; for consistency, however, all donor amounts for 1996 are being entered into the resource-flow database as *expenditures*, and will be reported as such.

[6] 1997 income data for UNFPA are still provisional.

[7] Brazil's questionnaires are in the pipeline, but are not available for the present report.

[8] The estimation method used is straightforward. Figures taken from the final column of table 1 are multiplied by the total 1996 populations for each region and summed. Since the data for China were not received in time for inclusion in the present report, 1995 estimates were used and added to the Asia and Pacific region. The total expenditure amount for China (estimated in 1995 at $3.5 billion) was distributed to the four ICPD components in the same proportions as for the remainder of Asia. Moreover, the sum of US$ 471 million for radio and television advocacy efforts reported by the Government of Mexico was still not categorized or entered in the database at the time of drafting the present report. The lack of complete data and the simplicity of this method require that the preliminary estimates made here be treated cautiously.

[9] Although the great majority of non-governmental organizations income from national sources comes from the national Government, some small amounts may come from national foundations or unidentified sources.

[10] A separate report on the Indonesian case study will be issued by UNFPA; case studies in Egypt and Senegal will be carried out before the end of 1997.